

FRONTIER EMBROIDERY



Business Plan Written by

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About this Sample Entrepreneur Business Plan:

The following sample *NxLevel™* Entrepreneur Business Plan was originally written by a class participant, and subsequently modified to protect proprietary information. As it is primarily a student's work, it is not represented to be a "perfect" business plan, although the presentation is in keeping with the *NxLevel™* format and content. It can be used as a sample of what a business plan might contain, and as a model for constructing the various sections.

Your instructor may ask that you review certain sections and suggest improvements, modifications or additions. The purpose of each individual business plan may be different, with varied intended readers. You may also be asked to discuss what information might need to be included or deleted based on the purpose of the plan.

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EXECUTIVE SUMMARY

We are looking forward to the challenges ahead of us as we set out on the task of marketing and managing ***Frontier Embroidery***. We have set the goal to begin actively marketing our business and skills in 1998. We have spent the last three years improving our embroidery techniques and reducing our debt. We have spent this last year seeking to improve our business knowledge of how to own, operate, market, and fund a business. We have attended WSBDC seminars and have taken the ***NxLevel*** course to assist us in developing our business plan. Our time is at a premium with five children at home, so we felt it necessary to prepare ourselves up front as much as possible and will continue to be proactive in obtaining the training and education necessary in making ***Frontier Embroidery*** a success.

Our business goal is to provide customers with quality and a second to none service! We are in this business to stay and are excited about our business' potential in the industry. As you will read, there is no definitive market size. We do have some solid statistics about our customer profile and look forward to meeting these individuals. We have researched our industry and have enjoyed meeting and talking with fellow embroiderers, trade association personnel, equipment sales representatives, and technical support personnel. All have added valuable information to assist us in defining our plan.

Our business will be adding additional embroidery machine heads in the future as business demands grow. We plan to fund this growth from the business or through a loan from the owner.

I have enjoyed putting this information together and look forward to embroidering for you in the future!

Sincerely

Jane A. Jones

MISSION, GOALS AND OBJECTIVES

General Description of the Business

Frontier Embroidery provides machine embroidery to businesses and individuals. This business operates out of a residence with most of the customer-contact taking place over the phone or at the customer's site. This business is in a start up phase with the intent to settle in a "new" location by March 1998 and become more active in contacting potential customers over the next year.

Mission Statement

This is an independently owned business that will provide honest, dependable and quality embroidery service to businesses and individuals. This business will operate in a clean well-maintained environment that will welcome its customers. The focus will be on personal contact with the customer, providing a ***second-to-none service!***

Goals and Objectives

Goal 1 : Develop a plan to advertise the business.

Objectives:

- ☒ Establish business telephone service by December 1997-completed!.
- Advertise in the yellow pages by January 1998-in progress.
- ☐ Develop brochures showing the type of garments available for the markets we want to target by February 1998.
- ☐ Develop a web site by March 1998.

Goal 2: Develop a plan to market the business.

Objectives:

- ☐ We will personally contact 3-10 customers per week.
- ☐ We will be prepared to and will pass out our brochure to companies in our target market during chance meetings.
- ☐ We will pray daily for guidance and direction as we meet and converse with our customers. We recognize that our customers are what allow us to be in business.
- ☐ Identify target customers by January 1998. (See Appendix A.)

Goal 3: Training.

Objectives:

- ☐ Attend a training seminar for the Proline software in January 1998.
- ☐ Read and study about the fundamentals of hooping by January 1998.
- ☐ Read and study about the fundamentals of backing by February 1998.

Goal 4: *Stitch samples for brochures and customers.*

Objectives:

- ☒ Identify types of garments that tend to be sold most often-completed!.
- ☐ Select designs to be stitched on each garment by January 1998.
- ☐ Stitch samples by February 1998.
- ☐ Contact professional photographer to shoot photographs of samples by February 1998.
- ☐ Have brochures professionally printed by February 1998.

Goal 5: *Establish business databases.*

Objectives:

- ☐ Set up Lotus Approach databases by February 1998.
- ☐ Establish reports and reporting relationships by January 1998.
- ☐ Convert existing data into database by March 1998.
- ☐ Establish system to backup PC software by January 1998.
- ☐ Backup designs onto tape and store off-site by January 1998.

BACKGROUND INDUSTRY INFORMATION

The Industry

The embroidery industry has been growing at a tremendous pace over the past 10 years. The market publications are unable to put a definite dollar amount on the total sales in the industry or an estimate on the number of embroiders in the United States. One of the industry publications puts together an annual survey to try to provide their readers with some statistics to describe the industry. This survey is a subset of their subscriber population.

The subscriber population shows subscriptions have climbed from 2500 in 1987 to around 18,000 in 1997. This indicates there has been tremendous growth in the industry over the last 10 years. Fifty-nine percent of the embroiderers employ 1-4 persons, and 17% employ 5-9. Thirty-seven percent of the businesses have been run out of the home while 33% are run from a retail location. Also, 31% of the businesses are operating 0-2 embroidery heads, while 52% operate 3-15 heads. These statistics have remained relatively static over the last four years. Gross sales ranged between \$0-\$100,000 for 40% of the businesses and between \$100,000-\$999,999 for 39% of the businesses. Nine percent chose to not answer that question. The majority of the businesses expect sales to increase in the coming year (82%) while the rest expect sales to remain the same.

The biggest impact on the embroidery industry over the last 4 years has been the use of computers in the area of digitizing designs. The mechanism for creating custom designs for customers has become more user friendly through the use of computer technology and scanners. Many more companies have gotten into the software business selling digitizing software, creating more competition in the market. 10 years ago, digitizing software cost \$20,000 and was sold by 9 companies. Today the cost is between \$6,000-\$40,000, and software is sold by 44 companies. Many more of the embroiderers are purchasing their own software and more digitizing is being done in house as opposed to being contracted out.

Current and Future Trends

There will continue to be changes and enhancements in the area of digitizing software. More and more embroiders will purchase the software to do the easier designs in-house. The corporate market is still new and growing. Associations, both professional and recreational, small companies, and entrepreneurs are having their company logos digitized and stitched. The athletic sport market is a staple of the industry and the youth market is growing.

Industry leaders are concerned about the growth of in-house digitizers. Most of the new digitizers have not had professional training, so the quality of embroidery may deteriorate. Attempts are being made to offer training at trade shows, through videos, seminars, and through industry trade magazines. Training has been an area that has been lacking in the industry in the past.

Business “Fit” in the industry

Frontier Embroidery is currently a shop with in-house digitizing services, operating a single embroidery machine. The business is run by two people and is run out of the home. A large number of embroidery shops are operated in this manner.

EMB, October 1997, page 29:

“Just 35% of all businesses surveyed three years ago were home-based, growing to 43% in 1996. A full 50% report their businesses are home-based this year.”

EMB, October 1997, page 31:

“The majority of respondents (69%) indicate embroidery is their primary business. A full 99% of respondents operate between 1 and 3 shops. The location of the shops is not so evident, however. Although 50% are home-based enterprises, another 21% operate in industrial/warehouse districts, 11% are in strip shopping centers, 2% are in retail malls, and 2% indicate their shops are in “other” locations. An overwhelming 77% of shops answered that they have between one and five employees. Four percent of shops utilize part-time employees only.”

EMB, October 1997, page 32:

“A reported 37% of shops run one head, with 27% having two to four.”

Stitches Magazine, September 1997, page 154:

“The number of established embroiderers remains stable. Since 1994, one out of five companies has been engaged in embroidery operations for over a decade, and 28 percent have been so involved from six to ten years-for a total of 50 percent of the industry.

Residential and retail locations remain the most common for embroidery operations, at 37 percent and 33 percent, respectively. In an interesting development, however, industrial-facility locations have been dropping since 1994-from 19 percent to 15 percent-while warehouse locations have leapt from 1994’s 4 percent to 1997’s 14 percent.”

Our business fits into the industry as one of the most common business setups.

ORGANIZATIONAL MATTERS

Business Structure, Management and Personnel

Business Structure

Frontier Embroidery is currently a sole proprietorship, but will be changed to a corporation in January of 1999 to limit the liability and allow the business to be independent of an individual. Jane Jones will own 51% of the business, Mike Jones will own 39% of the business and Paul, Jill, Jake, Mary, and Kate Jones will each own 2% of the business.

Management Team

The management team of **Frontier Embroidery** will consist of Jane Jones and Mike Jones. Jane Jones is the Chief Executive Officer and serves as business manager because of education and prior experience in business related activities. Jane Jones has had experience sewing and working with fabric. Mike Jones has a mechanical and construction trade background. (See resumes in Appendix B.)

Personnel

Frontier Embroidery does not intend to hire employees at this stage of the business. The bookkeeping will be handled by Jane Jones. Marketing will be performed by both Jane and Mike. Mike will be the primary operator of the embroidery machine. Jane will do the majority of the digitizing. We will both be trained on all aspects of our business. We recognize that family members working together may be difficult, but have had great success in the past as we have built four houses together. We enjoy working together and feel it will be a great opportunity for us to present business practicum experience to our 5 home-schooled children. (See resumes in Appendix B.)

Outside Services / Advisors

Outside assistance will include: Larry Sarbol with the Embroidery Trade Association for technical assistance, Patrick Siptanole for accounting services, James Blank of Ed Murray & Sons for insurance services, Stan Melnist for legal services, American National Bank will provide banking services, and Brad Winston of the Winston Collection for professional graphic art services. Each of these individuals will be contracted on an "as needed" basis. All of these individuals and institutions were selected because of prior experience working with them.

Risk Management

Type of Insurance

Term life insurance on Jane:	American Family Insurance	\$250,000
Term life insurance on Mike:	American Family Insurance	100,000 & 370.00
Liability:	Commercial Union	
Building and equipment:	Commercial Union	replacement costs
Automobile Insurance:	Commercial Union	

We will need to contact our insurance agent every six months as the business grows to see if the policy needs to be modified. Our equipment and software are currently covered under our homeowners policy at replacement cost less a \$250.00 deductible. Customers and inventory will be covered by our current homeowners policy.

Operating Controls

Record Keeping Functions

The record keeping for ***Frontier Embroidery*** will be kept in a Lotus database. The business records will be kept by Jane Jones. Paul Jones will be trained to generate financial statements, enter customer data, enter order information, and how to operate the computer.

Business transactions such as sales and payments will be posted weekly. Monthly an aging schedule will be prepared, and any delinquent accounts will be reviewed. Bank deposits will be made daily or as deposits come in. Invoices will be paid as they come in. Bank accounts will be reconciled monthly. Jane will oversee and complete this portion of the management.

Inventory will be managed by assigning a purchase order and number to every order. (See purchase order sample in Appendix D.) This purchase order will be used to document and track all purchases directly related to that purchase order. Monthly we will review all inventory/outstanding purchase order relationships to verify accuracy. Once a month we will review our stitching supplies of needles, thread, backing, machine oil and scissors to establish usage trends and document supplies needed.

Customer marketing will be kept on a database. Monthly we will review the number of contacts made, who made the contact, and sales as a result of the contact to establish marketing trends for our business.

Other Operating Controls

Frontier Embroidery will be mailing out an order confirmation with each custom telephone order (See Appendix C). This will allow the customer ample time to decline/modify the order prior to completion. By restating the agreement, it will give the customer and our business a form of a contract. Customers that come into our shop to place an order will sign a contract stating the lettering, design, thread colors, garment, sizes, and item color to be used in completing the order.

Frontier Embroidery will maintain a large portion of the basement that will be solely for this business. The door will be locked when the business is closed. Inventory will be kept in cabinets and customer property will be kept in locked cabinets while on our premises. Once the order is complete, delivery will be made to the customer by Jane or Mike's personal vehicle or via UPS when customers are out of the area. Customers are expected to put _ down or the amount needed to purchase the supplies needed to complete the order-whichever is greater.

Purchasing will be completed by Jane only. All orders will be passed through Jane for record keeping purposes. Purchase orders will be prepared at the time an order is placed. (A sample purchase order is in Appendix D.)

Customer service will be managed by both Jane and Mike. All orders will be filled promptly, any problems will be resolved as soon as we become aware of them and follow up will be a requirement. We plan to be known for superb, reliable service.

We will not extend credit to our customers. Our customers will be expected to complete payment upon delivery of the product. We will remain open to accepting credit cards, but do not accept credit cards at this time. Most of our customers expect to pay for this type of product/service by company check.

Products will be priced according to the financial requirements of the business. We will survey our competitors annually to evaluate our service, price and product.

Quality control will be the responsibility of the embroiderer. Jane and Mike will inspect all products that are embroidered. We will check the placement of the embroidery, the tightness of the stitches, hoop marks left around the embroidery, smoothness of the embroidery and the overall quality and appearance of the finished product.

THE MARKETING PLAN

The Products and Services

Products / Services Description

Frontier Embroidery provides professional machine embroidery on any item a needle can penetrate. The embroidery may utilize one of the over 13,000 stock designs available, or we can custom digitize your individual design for your own use. Items to be embroidered may be purchased from us or we will stitch on your items. Embroidery is durable, many times outlasting the garment upon which holds the embroidery. Our price is about average in the market. We plan to continue to offer the personal service of going to our customers.

Features / Benefits

Frontier Embroidery can embroider flat goods, tubular goods and hats. We offer in-house digitizing which allows faster turnaround. Our test market success was due to the personal attention given our customers, and the ability to get the finished product to the customer in a timely manner.

<u>Feature</u>	<u>Benefit</u>
Custom design	Enables customer to express themselves through embroidery
Beautiful / Long-lasting	Prestige and status
Professional Quality	Advertise their business or organization
Personal Service	Saves time and provides peace of mind
Multicolor designs	Colorful designs at no added cost

Life Cycles / Seasonality

Frontier Embroidery has historically experienced a higher demand just before Christmas. We plan to handle this peak load by stitching 24 hours/day as necessary. There will be a time constraint based on the number of stitches that can be stitched in a 24 hour period. We will encourage customers to plan early at this time of year.

Retail shops will be personally contacted in the early spring when they are making buying decisions for the coming tourist season. We will contact those in the construction trades in the spring and fall since that is the beginning and end of their peak season. Other service related businesses will be contacted continuously during the year.

Frontier Embroidery does not stock items to be embroidered, and , therefore, does not purchase goods based on seasonal influence.

Products and Services Growth

Frontier Embroidery have thought about adding screen printing to our product line, but have decided to focus on embroidery and the service area of our business. Over 13,000 stock designs are available from our stock design catalogs. We are able to custom digitize any design a customer brings in. Items to embroider range from jackets to T-shirts, caps, towels, linens, blankets and bags. Our current plans are to market the services we currently offer and to expand sales in these areas.

Market Analysis

Customer Analysis

Frontier Embroidery's customer is primarily the small business owner who needs (or wants) to present a professional image. Many in the construction-related trades are interested in hats, shirts, and jackets sporting their business name. In Charltown, there are over 100 construction-related businesses. We will target business types that have used our services in the past like construction companies, retail shops, companies with professional logos, companies who have a history of giving embroidered hats to potential and current clients, camps, and individuals. We will not heavily target individual personal embroidery, but will target groups and companies that would purchase 1-3 dozen of an item.

Stitches Magazine, September 1997, page 156:

"Since 1994, more than 7 out of 10 embroidery companies sell to businesses, consumers and schools. There's a big drop in volume between these and the next customer block, composed of department/specialty/sports stores, wholesalers, retail stores and screen printers. The 1997 survey shows that the percentage sold to each customer type appears to have decreased across the board. This suggests that embroiderers are narrowing their customer base to specific types of customers."

Competitive Analysis

Our Life's A Stitch-located in Charltown. They are not in a major shopping district. Prices are given out over the phone. They advertise regularly on KMUS radio. The shop is cluttered and small. The appearance from the outside is not appealing, it is a former filling station.

Charltown Stitch / Impressions in Leather. They were located in the mall at one time. They built up their client base and were not able to work out a suitable lease agreement and chose to move out of the mall location. They will not give price information out over the phone. There does not appear to be any advertising other than a listing in the phone book and word of mouth. Their location appears to be an old feed store type building. The interior is comparable to **Our Life's A Stitch**. It is located on the edge of town and is not near a major shopping district. The appearance from the outside is not appealing and the inside is cluttered and dark. The service seems to be friendly and knowledgeable.

EMB, October 1997, page 34:

“When asked how many embroidery shops, including their own were located in their city, 43% estimate there are between two and five.”

Trade Area

Colorado and Nevada are the areas where we currently provide personal contact with our customers. We do offer a mail order service and ship orders out to customers in other parts of the country. We will target Charlton and surrounding communities over the next months.

Market Size and Trends

It is difficult to obtain definitive numbers on the size of the embroidery industry, because of the number of home-based businesses and those embedded within another business environment. All indicators, as stated elsewhere in this document, show that the majority of embroiderers expect sales to increase in 1997 and the outlook is bright.

EMB, October 1997, page 32:

“Corporate logo work accounts for no less than 30% of the product niche mix across the board, regardless of a shop’s gross sales volume. Corporate work ranges from 50% to 69% of all orders produced. Walk-in (25%), club(27%), and corporate(30%) sales are, however, the lifeblood of those companies reporting less than \$50,000 in sales volume. Closely following, placket shirts are popular among walk-in clients, as are sweat shirts (21%) and caps (20%).”

Stitches Magazine, September 1997, page 158:

“In terms of the common items embroidered, more than 80 percent of all operations embroider four items: placket shirts, fleece, jackets, caps and visors. Predictably, these four items account for 70 percent of total unit sales. Notably, T-shirts are embroidered by 76 percent of all companies-as was the case in 1996.”

Market Potential

Stitches Magazine, September 1997, page 150:

“Overall, 8 out of 10 respondents (82 percent) expect their total sales to increase. Only 18 % expect a sales status quo. Amazingly, no respondent expects a dip in sales. This optimism is reflected in continued investment in embroidery machinery and equipment.”

“The news in 1995 was that the embroidery industry was springing back from 1994. Last year’s story was stabilization, in both employment and revenues. This year’s headline, ‘Those with \$1 million or more in revenue have increased by 5 percentage points.’ This category of respondents is at 12 percent, compared to 7 percent in 1996. Respondents in the \$100,000-\$999,999 revenue group held steady at 39 percent. The industry group that reports a drop is the group whose revenue falls below \$100,000: 40%, compared to 48% in 1996.”

“As the various data indicate, 1997 is projected by the survey respondents as a year of considerable promise, in which they expect to consolidate their gains at the very least. Not one respondent expects sales to go down; in fact, 82 percent expect their sales to increase. Not surprisingly, investments in machinery and equipment continue, although generally at a slower pace than in previous years.”

EMB, October 1997, page 30:

“Overall, the survey results again indicate that our industry as a whole falls on the lower side of sales volumes, with 76% reporting volumes up to \$199,999. Despite this, the actual percentage of average growth in total gross sales volume is anything but discouraging. Survey results show that in 1996 a full 98% of shops recorded growth, with only 2% indicating sales have dropped. With that in mind, if low sales volumes prove anything, it is that embroiderers are not pricing for maximum profit. So the question remains, is embroidery a growth industry? Aside from the monetary signs, a look at the next line of indicators shows movement in a distinctly positive direction. For one thing, though embroidery was viewed at one point as a female-dominated ‘craft’ industry, equal opportunity has shattered that stereotype. Our 1997 sample roughly reflects a split of 60% female to 40 % male respondents.”

Embroidery does appear to be a growing industry!

Marketing Strategies

Location

Frontier Embroidery is currently located 23 miles from downtown Charltown. We are planning to move the business to a location about 7 miles from downtown (10 minutes), and hope to be “relocated” by May 1998. The owners believe that location will be more convenient for pick up and delivery, and will be close enough to town that if the customer does want to come to the shop, they will be able to get there within a reasonable amount of time. This location is also convenient to UPS for shipping.

Price / Quality Relationship

Frontier Embroidery plans to provide a high quality product at a moderate price. This pricing strategy will make us competitive in the market and allow us to cover our costs while we grow. Our quality service and convenience will be what makes us stand out in the local industry. (See Appendix E for embroidery sample.)

Packaging

Frontier Embroidery runs a neat, organized shop that presents an appearance of classic quality that will last for a long time. Our finished product will be placed in a plastic bag to protect it until it is delivered to the customer.

Public Relations

As owners of **Frontier Embroidery**, we will introduce ourselves, and our business, to those we meet. We will make a point to let people we come into contact with through other business transactions know that we offer embroidery services, and provide business cards and/or a brochure.

Advertising

A “new” business phone number has been established and will appear in the March 1998 yellow pages with a 1/12 page ad. The ad will describe the services we offer, the area in which we desire to do business, and let the customers know we are members of the Embroidery Trade Association.

We will have some brochures put together identifying the type of embroidery and products we offer. The brochures will also describe our business, the hours we operate, the business address, and phone number.

Personal contact with construction related businesses in the area will be our main focus for promoting **Frontier Embroidery**.

Business cards, letterhead and thank you cards will be printed for business activities. (See Appendix F for samples.)

A web page will be set up at a “free” web site initially to see if there is any business potential in this area at this time.

THE FINANCIAL PLAN

The owner does not plan on taking owner withdrawals during the first year of business. The second and third years owner draw expenses are listed on the cash flow statements.

Debt financing will be required for the second year to purchase more equipment. We expect advertising costs to go down as the business grows.

Break-Even Analysis

Initial projected minimal expenses	400
Cost of Projected Product Units Sold	0.85 per 1000 stitches
Number of stitches (1000) to break even	471,000 stitches
Number of hours of embroidery to break even	16 hours

* The industry average per machine is 30,000 stitches per hour.

Financial Worksheets

Please see the following pages for these financial worksheet:

Sales Projections

Monthly Cash Flow Projections

Cash Flow Projections_Years 2 and 3

Sales Forecast for Year One – 1998

	1	2	3	4	5	6	7	8	9	10	11	12	Year y
Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Tota
Units Sold	450	450	900	1800	2700	3600	4500	5400	6300	7200	8100	9000	5040
Price/Unit	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.8
Total Sales	382.5	382.5	765	1530	2295	3060	3825	4590	5355	6120	6885	7650	4284
Emb. Hours	12.75	12.75	25.5	51	76.5	102	127.5	153	178.5	204	229.5	255	

Sales Forecast for Year Two – 1999

	1	2	3	4	5	6	7	8	9	10	11	12	Year y
Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Tota
Units Sold	9900	10800	11700	12600	13500	14400	15300	16200	17100	18000	18900	19800	17820
Price/Unit	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.8
Total Sales	8415	9180	9945	10710	11475	12240	13005	13770	14535	15300	16065	16830	15147
Emb. Hours	140.25	153	165.75	178.5	191.25	204	108.38	114.75	121.13	127.5	133.88	140.25	

Sales Forecast for Year Three – 2000

	1	2	3	4	5	6	7	8	9	10	11	12	Year y
Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Tota
Units Sold	19800	19800	19800	19800	19800	19800	19800	19800	19800	19800	19800	19800	23760
Price/Unit	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.8
Total Sales	16830	16830	16830	16830	16830	16830	16830	16830	16830	16830	16830	16830	20196
Emb. Hours	140.25	140.25	140.25	140.25	140.25	140.25	140.25	140.25	140.25	140.25	140.25	140.25	

Monthly Cash Flow Projection – Year One – 1998

	1	2	3	4	5	6	7	8	9	10	11	12	Yearly
Months	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
1. (A) Beginning Cash Balance	2000	1534.5	1869	2194	2174	2959	4049	4944	6644	8649	10909	14424	2000
Cash Receipts													
2. Cash Sales	382.5	382.5	765	1530	2295	3060	3825	4590	5355	6120	6885	7650	42840
3. Other Income													
(B) Total Cash Receipts	382.5	382.5	765	1530	2295	3060	3825	4590	5355	6120	6885	7650	42840
Cash Disbursements													
4. Salaries/Wages & Benefits				900	1350	1800	2250	2700	3150	3150	3150	3150	21600
5. Stock Designs	300												300
6. Supplies	10	10	20	30	40	50	60	70	80	90	100	110	670
7. Advertising Phone Brochures	38 500	38	120	120 500	120	120	120 500	120	120	120 500	120	120	1276 2000
8. Lawyer Accountant			300									300	300
9. Occupancy Exp.													
10. Purchase Fixed Assets												17500	17500
11. Debt Payt Old													
(C) Total Cash Disbursements	848	48	440	1550	1510	1970	2930	2890	3350	3860	3370	21180	43946
Net Cash Flow (B-C)	-465.5	334.5	325	-20	785	1090	895	1700	2005	2260	3515	-13530	-1106
Adjustment to Net Cash Flow													
12. (+) New Debt													
13. (+) New Owner Investment													
14. (-) New debt-Interest Paymts													
15. (-) New Debt-Principal Paymts													
16. (-) New Owner Withdrawals													
(D) Adjusted Net Cash Flow	-465.5	334.5	325	-20	785	1090	895	1700	2005	2260	3515	-13530	-1106
Ending Cash Balance (A+D)	1534.5	1869	2194	2174	2959	4049	4944	6644	8649	10909	14424	894	894

Monthly Cash Flow Projection – Year Two – 1999

	1	2	3	4	5	6	7	8	9	10	11	12	Yearly
Months	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
1. (A) Beginning Cash Balance	894	2019	5549	9534	14074	19869	26119	15424	23484	32299	41369	51694	894
Cash Receipts													
2. Cash Sales	8415	9180	9945	10710	11475	12240	13005	13770	14535	15300	16065	16830	151470
3. Other Income													
(B) Total Cash Receipts	8415	9180	9945	10710	11475	12240	13005	13770	14535	15300	16065	16830	151470
Cash Disbursements													
4. Salaries/Wages & Benefits	4950	5400	5400	5400	5400	5400	5400	5400	5400	5400	5400	5400	64350
5. Stock Designs	1600												1600
6. Supplies	120	130	140	150	160	170	180	190	200	210	220	230	2100
7. Advertising Phone Brochures	120 500	120	120	120 500	120	120	120 500	120	120	120 500	120	120	1440 2000
8. Lawyer Accountant			300			300						300	300 600
9. Occupancy Exp.													
10. Purchase Fixed Assets							17500					17500	35000
11. Debt Payt Old													
(C) Total Cash Disbursements	7290	5650	5960	6170	5680	5990	23700	5710	5720	6230	5740	23550	107390
Net Cash Flow (B-C)	1125	3530	3985	4540	5795	6250	-10695	8060	8815	9070	10325	-6720	44080
Adjustment to Net Cash Flow													
12. (+) New Debt													
13. (+) New Owner Investment													
14. (-) New debt-Interest Paymts													
15. (-) New Debt-Principal Paymts													
16. (-) New Owner Withdrawals													
(D) Adjusted Net Cash Flow	1125	3530	3985	4540	5795	6250	-10695	8060	8815	9070	10325	-6720	44080
Ending Cash Balance (A+D)	2019	5549	9534	14074	19869	26119	15424	23484	32299	41369	51694	44974	44974

Monthly Cash Flow Projection – Year Three – 2000

	1	2	3	4	5	6	7	8	9	10	11	12	Yearly
Months	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
1. (A) Beginning Cash Balance	44974	53954	65034	75514	86094	97174	108254	118534	129614	140694	150974	162054	44974
Cash Receipts													
2. Cash Sales	16830	16830	16830	16830	16830	16830	16830	16830	16830	16830	16830	16830	201960
3. Other Income													
(B) Total Cash Receipts	16830	16830	16830	16830	16830	16830	16830	16830	16830	16830	16830	16830	201960
Cash Disbursements													
4. Salaries/Wages & Benefits	5400	5400	5400	5400	5400	5400	5400	5400	5400	5400	5400	5400	64800
5. Stock Designs	1600												1600
6. Supplies	230	230	230	230	230	230	230	230	230	230	230	230	2760
7. Advertising Phone Brochures	120 500	120	120	120 500	120	120	120 500	120	120	120 500	120	120	1440 2000
8. Lawyer Accountant			300 300				300			300		300	300 1200
9. Occupancy Exp.													
10. Purchase Fixed Assets													
11. Debt Payt Old													
(C) Total Cash Disbursements	7850	5750	6350	6250	5750	5750	6550	5750	5750	6550	5750	6050	74100
Net Cash Flow (B-C)	8980	11080	10480	10580	11080	11080	10280	11080	11080	10280	11080	10780	127860
Adjustment to Net Cash Flow													
12. (+) New Debt													
13. (+) New Owner Investment													
14. (-) New debt-Interest Paymts													
15. (-) New Debt-Principal Paymts													
16. (-) New Owner Withdrawals													
(D) Adjusted Net Cash Flow	8980	11080	10480	10580	11080	11080	10280	11080	11080	10280	11080	10780	127860
Ending Cash Balance (A+D)	53954	65034	75514	86094	97174	108254	118534	129614	140694	150974	162054	172834	172834

APPENDIX SECTION

(Please note: The contents of the Appendix Section have been removed to protect proprietary information of the original author. *NxLevel* students can, however, review the list of contents below to determine appropriateness for this plan.)

- A. Target Customers***
- B. Resumes***
- C. Order Confirmation***
- D. Purchase Order***
- E. Embroidery Sample***
- F. Business Card***
- G. Stock Design Samples***
- H. Software Information***